

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
 Washington, D. C. 20554

**RECEIVED**

MAR 30 1998

In the Matter of )

FEDERAL COMMUNICATIONS COMMISSION  
 OFFICE OF THE SECRETARY

Tariffs Implementing )  
 Access Charge Reform )

CC Docket No. 97-250

MCI Emergency Petition )  
 for Prescription )

CCB/CPD 98-12

**REPLY COMMENTS**

BellSouth Corporation and BellSouth Telecommunications, Inc. (hereinafter collectively "BellSouth") hereby submit their Reply Comments in the above-captioned proceeding.

Numerous parties have commented upon MCI's Emergency Petition for Prescription. For the most part, interexchange carriers echo MCI's request. Given that these parties add nothing new to the debate, BellSouth refers the Commission to its lengthy and detailed Opposition, filed on March 18, 1998, in response.

As for MCI's request that the Commission should immediately prescribe access charges at lower rate levels based upon forward-looking costs, the Commission should direct its attention in particular to the comments filed by Time Warner Communications Holdings Inc. ("Time Warner"). As Time Warner states, MCI's arguments here are "no more convincing" than when presented to the Commission during the course of the Access Reform proceeding.<sup>1</sup> Contrary to MCI's view, the expected growth of facilities-based competition was an important factor in the

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<sup>1</sup> Time Warner at 3.

Commission's determination to pursue a market-based approach to access reform.<sup>2</sup> Time Warner, itself a facilities-based competitor, expresses great confidence in the future for this type of competition which it expects to "develop quickly over the coming years."<sup>3</sup>

Indeed, it is erroneous to believe that the expected market conditions underlying the Commission's market-based approach have failed to emerge. Other commenters provide evidence that competition is, in fact, developing sufficiently.<sup>4</sup> Moreover, the Commission's Chairman recently stated his belief that competitive inroads into the local exchange marketplace are proceeding in the expected manner. Although indicating his belief that litigation may have slowed competitive developments somewhat, the Chairman nevertheless stated as follows:

To get a true picture of the development of local competition, we should not be looking for dramatic, sudden upsurges in local competition, but instead for the type of steadily increasing momentum that we saw with the introduction of competition into the long distance market.... [W]e are still in the very early stages of the development of local exchange competition. I have no reason to expect, however, we will not see the same type of acceleration of competition in this area that we have seen in other markets, especially long distance and cellular.... In fact, that's exactly what we are seeing. Illustrative examples are many and varied....<sup>5</sup>

In sum, the Commission must reject MCI's Emergency Petition for Prescription for all of the reasons set forth in BellSouth's Opposition. Interexchange commenters who support MCI have added nothing to the debate. In particular, the request for an immediate prescription of access charges to forward-looking cost levels has already been considered by the Commission in

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<sup>2</sup> Id. at 4-5.

<sup>3</sup> Id. at 5-6.

<sup>4</sup> See, e.g., Ameritech at 6-10 and attachments thereto; USTA at 7-10 and attachments thereto.

<sup>5</sup> Statement of William E. Kennard, Chairman, Federal Communications Commission, before the Subcommittee on Commerce, Justice, State, and the Judiciary Committee on Appropriations, United States Senate, March 19, 1998 at 8-10.

the Access Reform proceeding, and MCI has appealed this determination and cannot seek reconsideration here. Moreover, as is amply shown by the comments and statements referred to above, the premise underlying MCI's Petition -- that competition in the local exchange market is not sufficiently emerging -- is simply wrong.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I do hereby certify that I have this 30th day of March 1998 served all parties to this action with a copy of the foregoing REPLY COMMENTS by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties listed on the attached service list.

  
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